Defense Personal Property Program Automated Commercial Payment and Accounting Process Concept of Operations

Phase 1 / Interim Automated Process

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Version Overview

Version	Modification
1.0	Detailed the Interim Process for the Automated Back-end only as addressed in CONOPS version 1.2 as appendix I. Updated these CONOPS based on comments from stakeholders.
1.1	Updated Interim Process based on comments received from all stakeholders as well as multiple conference calls with all Services.

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1 Overview

1.1 Objective

The objective of this Concept of Operations document for Personal Property automation is to define the process and systems modification requirements associated with the interim process of automating finance and accounting processes. Implementing the Powertrack back-end automation will ease the Central Web Application (CWA) Phase I and Defense Personal Property System (DPS) Phase II implementations. In the Interim process – which encompasses only CWA - the Funds Managers (FMs) will still create bulk obligations to cover moves. The process will use the existing Transportation Global Edit Table (TGET) edit and validation process and follow the Electronic Data Interchange (EDI) conventions related to the 858 (shipment), 859 (Transportation Service Provider (TSP) invoice) and 810 (payment advise) transactions. The Defense Information Systems Agency (DISA) Global Exchange Services (GEX) translator will be used as an electronic mailbox among the interfacing systems using the EDI 858, 859 and 810 transactions.

1.2 Scope

This CONOPS provides an overview of the interim process which includes:

■ Performing TGET validation checks of accounting data provided on the Transfer Orders; ■ Estimating and manually creating the initial obligation using valid accounting data; ■ Processing and approval of the TSP invoices against the shipment; ■ Processing payment to the TSP in PowerTrack; ■ Certifying the PowerTrack Summary Invoice (PSI); ■ Manually adjusting the obligation amount (when and if necessary); and ■ Processing payment to US Bank and liquidation [or reduction] of the obligation based on the amount paid to US Bank.

1.3 Organization of Document

The remainder of this document is organized as follows:

Section 2.0 – Interim Environment. This section presents an overview of the Interim environment incorporating CWA and also includes: a context diagram; stakeholder roles and responsibilities; the process flow and the associated business rules for the Interim Payment and Accounting Process; and the assumptions that formed the basis for this proposed environment.

Appendix A: Timeline for Testing and Implementation of the Interim Process. The section outlines the envisioned timeline for testing and implementation of the interim process.

Appendix B – Glossary of Terms. This section contains a list of the terms, documents, and definitions used in this CONOPS.

Appendix C – EDI 858 Data Feed. This section provides the Interface Convention for an EDI 858 (shipment information).

Appendix D – EDI 810 Data Feed. This section provides the Interface Convention for an EDI 810 (invoice data in an accounting context).

Interim Environment

The following section describes the Interim environment and details how obligations, accounting, and disbursements will be handled in the Defense Personal Property Program program. Section 2.1 describes the major stakeholders and their roles & responsibilities.

2.1 Interim Context Descriptions

- **Services Budget Office** – The Services Budget Offices are responsible for developing annual budgets and relaying them to Command Level Budget Offices

- **Command Level Budget Office** – The Command Level Budget Offices receives the budget information from the Services Budget Offices.

- **Personnel Offices** – The appropriate personnel office prepares the hard copy orders for the Service Member to be moved. The orders will include the destination, required move date, and also the accounting data that will be used to pay for the shipment. It is the responsibility of the entity preparing the orders to confirm that the accounting data is accurate and appropriate for the Branch of Service and type of move.

- **Personal Property Shipping Office (PPSO)** – In addition to counseling Service Members with Transfer Order Documents, the PPSO arranges for transportation of the household goods. The PPSO also enters the accounting data into the CWA. The PPSO books the shipment with a TSP, provides a Bill of Lading to the TSP/Agent, and approves services to be performed. The PPSO uses CWA to approve or deny services billed for on TSP invoices. Once the costed shipment data has been sent to PowerTrack, it may be necessary for a PPSO to approve TSP payments in PowerTrack. It will be necessary for a PPSO to approve a TSP invoice in PowerTrack if the invoice falls above a pre-determined threshold.

- **Services/Command Funds Manager (FM)** – The FM ensures that the Personnel Offices all have validated and appropriated funds information for relay on Transfer Orders Documents. The FMs also ensure that the TGET Master Table is updated with all accounting information. FMs have the responsibility to work with DFAS to resolve edit exceptions encountered in the obligation and accrual recording and invoice payment processes and to work with PPSOs/COs to correct fund cite edit exceptions.

- **Certifying Officer (CO)** – The CO is responsible for reviewing, correcting and certifying the PowerTrack Summary Invoice (PSI) from U.S. Bank. The CO may be a PPSO, FM, or other responsible party designated by the activity's commanding officer.

- **Defense Finance and Accounting Services (DFAS):** DFAS provides finance and accounting support to DoD. DFAS systems will receive a Bulk and other Obligations from the Services' FM and disburse payment upon receipt of the certified PowerTrack Summary Invoice (PSI) from US Bank. DFAS systems send an Electronic Funds Transfer (EFT) disbursement to U.S. Bank. DFAS also maintains the DFAS Transportation Global Edit Table (TGET) web system, which is used by all Military Services and Defense Agencies to update their lists of valid LOAs and TACs.

- **Service Member** – Service Member receives the Transfer Orders Document from the Personnel Office and relays it to PPSO.

- **Global Exchange Service (GEX)** – GEX is responsible for translating and routing EDI-information to US Bank's PowerTrack. The priced-out Bill of Lading - EDI 858 – is submitted to FACTS and PowerTrack without translation involved.

- **Transportation Service Providers (TSPs)** – The TSP performs required services at Origin and Destination (packing and unpacking for example), picks up the shipment, transports it to its destination, and provides destination delivery services. The TSP will submit an EDI 859 invoice, or use PowerTrack's web interface to file an invoice. The TSP receives payment from U.S. Bank.

- **U.S. Bank** – US Bank's PowerTrack system provides financial transaction visibility and payment approval capabilities for all stakeholders. U.S. Bank is responsible for issuing payment to TSPs based on the services that are either automatically or manually approved by the PPSO in CWA. U.S. Bank also generates a PowerTrack Summary Invoice (PSI) covering all payments to TSPs and credits to DoD, as appropriate. US Bank initiates an EDI 810 invoice data feed to DFAS entitlement systems. US Bank also sends an Operational System Interface (OSI) 810 containing actual payment details to CWA, so CWA can record actual amounts paid to TSPs with actual accounting data used.

- **DFAS TGET** – DFAS TGET is the repository table for LOAs and TACs associated with these LOAs. The Services upload their accounting data annually prior to October 1st.

- **CWA TGET** – CWA TGET receives a copy of the DFAS TGET table 4 times daily. This is done to ensure that the TAC to LOAs conversions - which are resident in CWA - are fully up-to-date.

2.2 Interim Business Process Flow

This section presents the Interim Business Process Flow associated with the Automated Commercial Payment and Accounting process as discussed with the stakeholders, including the financial community and service representatives. Figure 2-1, below, presents the high-level business process flow of the automated payment and manual accounting process for Family First shipments. Figures 2-2 and 2-3 present a more detailed view of the business process flow steps.

The Interim Process in Figures 2-1 through 2-3 depict the following:

- DFAS TGET tables are fully operable and the Service FMs will maintain the data in an accurate timely fashion.

- PowerTrack will release actual payment EDI 810 information to CWA immediately upon PSI certification, and will wait 48 hours to release the invoice EDI 810 to GEX (for routing to the appropriate DFAS entitlement systems).

- PowerTrack's Chart of Account functionality will be fully operable and up-to-date at any given time to ensure data accuracy of the LOAs, if the Services decide to update the LOA data in PowerTrack.

Figure 2-1: Interim Automated Process Diagram
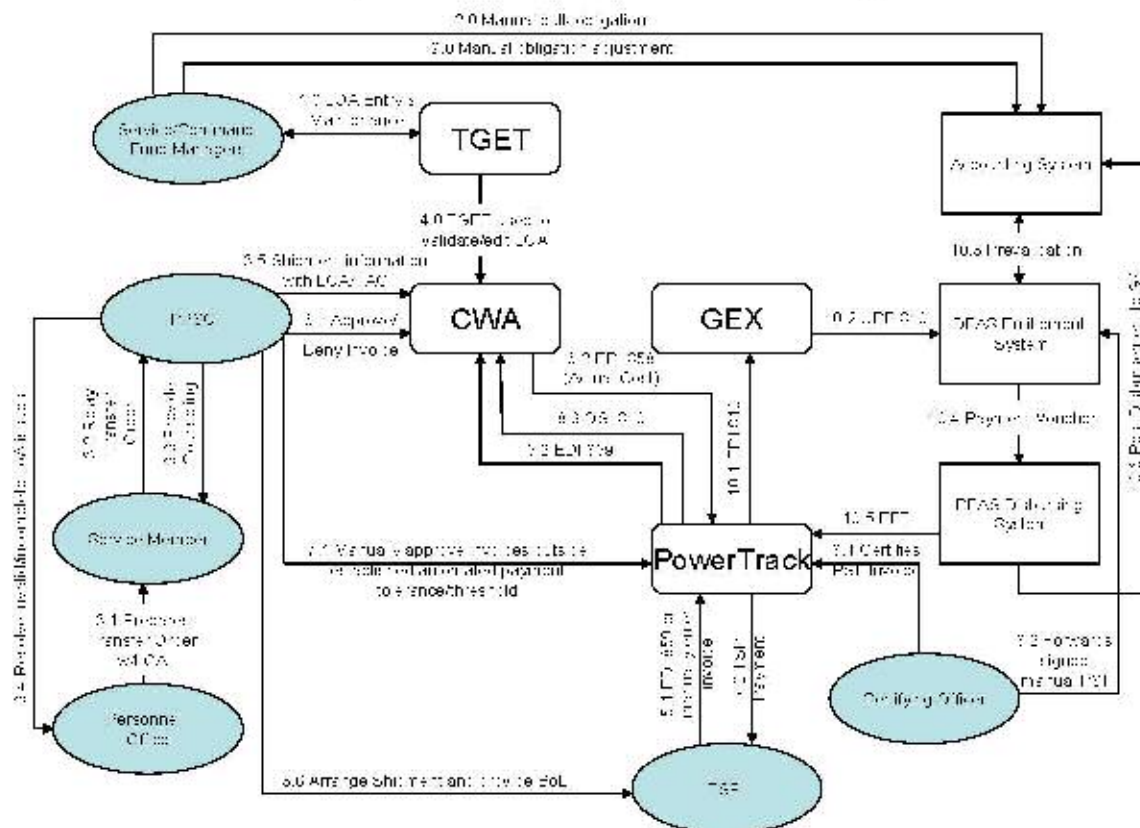
Overview

The Defense Personal Property Program backend accounting business process depicted in Figure 2-1 is intended to capture the characteristics of the MRM #15 freight automated backend process. In the Interim, the FMs will still create bulk obligations to cover moves. The process will use the existing TGET edit and validation process and follow the EDI conventions related to the 858 (shipment) and 810 (invoice) transactions. The DISA GEX translator will be used as an electronic mailbox among the interfacing systems using these EDI 858 and 810 transactions. This process also intends to adhere to existing trading partner agreements that are applicable for the interfaces used in Freight. The following paragraphs describe the processes in Figure 2-1. Please refer to Figures 2-2 and 2-3, below, for more detailed data flows associated with these processes.

Process 1.0 – Determine Transportation Budget and Accounting Data

The Service and Command Budget Offices determine Personal Property transportation budgets based on expected number of shipment for each activity (training, new hires, etc.). Generally, the Service Accounting Activity estimates its level of shipment activity over the remainder of the fiscal year on a monthly basis. The level of activity is closely tied to the overall annual budget for household goods moves. In the development of the estimate, historical move data, projected move data and projected expenses are used. For Military moves, several move types are incorporated into the estimate such as training and operational moves.

The Budget Officers create the applicable LOAs for Personal Property Movements and ensure these are made available for upload into the TGET Master Table. For the Air Force, DFAS maintains the TGET Master Tables.

Process 2.0 – Create Manual Bulk Initial Obligations

Services may input obligations directly into the accounting systems, utilize order writing systems interfaces with the accounting systems, or submit the obligation request to the designated DFAS field office for input into the accounting systems. Lines of Accounting (LOA) are used when recording obligations. Depending on the Services' policy, Transportation Accounting Code (TAC) and Standard Document Number (SDN) data may also be included in the LOA. The Services will review bulk obligations every month, and will adjust obligations as necessary to cover expected costs for the upcoming month. After analyzing the bulk obligation amounts at month's end, the Services can de-obligate a LOA, see Process 9.0.

Process 3.0 – PPSO Processes Transfer Order & Counsels Customer

Step 3.1 The appropriate personnel office prepares the hard copy Transfer Orders Documents (TOD) for the Service Member to be moved. The orders will include the destination, required move date, and also the accounting data that will be used to pay for the shipment. The Personnel Office is responsible for confirming that the accounting data is accurate and appropriate for the Branch of Service and type of move. The accounting data entered on the TOD by the Personnel Offices will include TAC and SDN (if the SDN is not already populated in TGET for the TAC). SDNs may be assigned by the Order Issuing Activity, or at the Command or Base Level. If the Service funding the shipment does not use TACs, a Segmented LOA shall be entered on the TOD. If the Service funding the shipment uses neither TACs nor Segmented LOAs, a complete Text LOA (including SDN) will be entered. If text LOAs are used, the CO will be required to manually certify the invoice.

Step 3.2 The Service Member shall provide his/her transfer orders to a PPSO according to Service policy

Step 3.3 The Service Member completes the counseling process in person.

Step 3.4 The PPSO resolves invalid, incomplete or missing LOA issues with the Orders writing entity.

Step 3.5 As part of the counseling process, the PPSO enters the shipment and accounting information, as provided on the orders, into CWA to generate a Bill of Lading (BoL).

Step 3.6 The PPSO arranges for transportation of the household goods with the TSP, provides a BoL to the TSP/Agent, and approves the services to be performed.

Process 4.0 – Validate/Edit Accounting Data

The TGET Master Table will incorporate edits documented in the latest FA2 LOA specifications. The Defense Personal Property Program CWA system will maintain a copy of the DFAS TGET edit table which it will reference to edit and validate LOAs entered by the PPSO in step 3.5 to generate the BoL. If the BoL contains a Text LOA, CWA will mark the transaction as "manual". This will be reflected in the "Manually Billed" section of the PowerTrack Summary Invoice (PSI) and will require manual certification by the CO. If the BoL contains LOA data that is in FA2 format, but is incomplete, CWA will generate management reports for Service FMs to update the accounting data. If the BoL transaction contains TAC data, the TGET table in CWA will translate the TAC to an FA2 LOA and it will be reflected in the "Electronically Billed" section of the PSI.

- Prior to September 1st of every year, the FMs or designee who manage transportation Lines of Accounting (LOAs) must coordinate with their Service/Agency's TGET Administrator to ensure TGET is updated with appropriation data for the upcoming fiscal year.

- Upon input of a four-digit alphanumeric TAC-code into CWA, CWA will attempt to convert it to a segmented FA2 LOA. If the TAC information entered does not match any TACs in the TGET download, the PPSO will be notified by e-mail immediately. The PPSO must contact the Service Member and/or the Orders writing entity, within 1 business day to resolve the problem with the invalid TAC.

- If CWA is successful in converting a TAC to an FA2 LOA, and it indicates that the FA2 LOA is incomplete, the PPSOs or FMs must enter data into the empty required fields immediately. If the FM does not know what data to enter or the data entered is invalid, the FM contacts the PPSO, who in turn informs the Service Member and/or the Orders writing entity and/or the FM, within 1 business day to determine what to enter.

- All obligations and obligations adjustments must be manually entered and updated by the FM in the appropriate accounting systems.

- If only a Text LOA is included on the TOD, it will not be converted to a FA2 LOA. As such, this transaction will not go through the automated process and will be listed on the "Manually Billed" part of the PSI.

Process 5.0 – Book Shipment and Process TSP Invoices

Step 5.1 The TSP submits an invoice to PowerTrack via an EDI 859 transaction set (preferred), or manually via the PowerTrack web interface, upon delivery of the household goods into Storage in Transit (SIT) and/or delivery to the Service Member's residence. TSPs have the option of submitting more than one invoice against a single BoL. Each invoice must reference the BoL number and have a unique invoice number.

Step 5.2 PowerTrack assigns a unique identifier known as the Line Identifier Code (LineIDC) to each line item submitted on the TSP's invoice, and transmits the updated EDI 859 (including the LineIDC) to CWA.

Process 6.0 – Approve TSP services and Cost TSP Invoice

Step 6.1 The PPSO reviews the TSP's invoice in CWA, and either approves or denies each line item.

Step 6.2   The shipment data for approved line items is costed by CWA to obtain an actual cost. Once a TSP invoice has been costed by CWA, the "actual" cost data will be incorporated into an Existing Shipment EDI 858, which includes the data from the invoice, the costs calculated by CWA for each line item, and the accounting data. CWA prepares the EDI 858 with actual cost and transmits the costed shipment data to PowerTrack hourly. If CWA was successful in converting the TAC to a FA2 LOA, then both the TAC and the FA2 LOA will be sent as part of the EDI 858.

Process 7.0 – Approve Payment to TSP in PowerTrack, and Pay TSP

Step 7.1   PowerTrack matches the costed EDI 858 data from CWA with the TSP's invoice. If the line-item costs are within the established tolerance, and the total invoice cost is less than the maximum established threshold, PowerTrack automatically approves and sends payment to the TSP. Otherwise the PPSO will manually approve payment to the TSP.

Step 7.2   Once payment is approved, PowerTrack will pay the TSP.

Process 8.0 – Prepare and Certify PowerTrack Summary Invoice (PSI)

At the end of the billing cycle, US Bank electronically generates the monthly PowerTrack Summary Invoice (PSI) covering all payments (with corresponding accounting information) made and credits received on DoD's behalf. The PSI is available for on-line review by the Certifying Officers.

The PSI contains 2 portions (each portion sub-totaled): "Electronically Billed" shipments and "Manually Billed" shipments. For those shipments under the "Electronically Billed" portion, PowerTrack will display the segmented LOA as well as the TAC and group shipments together (including sub-totals) based on all displayed segments. Both the Segmented LOA and the TAC will be displayed on the PSI regardless of whether they are elements of the Accounting Code or the Shorthand Aliases. The user will be able to edit either the TAC or the Segmented LOA using the "mass change" feature currently available in the PSI. If the user changes the TAC they will be prompted to change the Segmented LOA as occurs for changes to the TAC in the transaction manager. This functionality is requested for Phase 1 if there is no impact to schedule, but can be deferred to Phase 2 if there will be a schedule impact. For those shipments under the "Manually Billed" portion, PowerTrack will display the Accounting Code and the Shorthand Aliases and group shipments together (including sub-totals) based on all displayed segments. PowerTrack also will display an invoice number as part of the overall PSI which will be unique to the PSI and serve as the invoice number for the "Manually Billed" shipments. The EDI 810s for the "Electronically Billed" shipments will include an invoice number that is based on the PSI invoice number with a serial number added as in freight.

Step 8.1   The Certifying Officer (CO) reviews the individual transactions represented on the PSI, and confirms valid accounting information is used, and the costs are accurate. To update accounting information, the CO utilizes the PowerTrack Chart of Accounts functionality. DFAS TGET will submit an EDI 814, which encompasses LOAs to PowerTrack for incorporation into the Chart of Accounts. The frequency of the EDI 814 is still to be determined. The Certifying Officer (CO) will certify the PSI, on-line in PowerTrack, within 5 business days of the PSI being made available in PowerTrack.

Step 8.2 The CO will have the same 5 business days to certify all transactions on the "Manually Billed" portion of the PSI. For the "Manually Billed" portion of the PSI, the CO prints the hard-copy PSI certifying the Text LOAs and signs it before sending it to the DFAS payment center.

Step 8.3 Upon certification, an Operational System Interface (OSI) 810 will be submitted to CWA. This OSI 810 will include the BOL Number, Invoice Number, Actual amount paid for each line item, and the FA2 LOA at the time of certification.

Once an invoice is certified, it will be "locked down" and cannot be changed at all. PowerTrack will maintain an auditable trail of all changes to shipment information in order to meet the requirements of the Chief Financial Officers Act of 1990 and the Federal Financial Management Improvement Act of 1996.

## Process 9.0 – Create Obligation Adjustment (If Necessary)

After analyzing the bulk obligation amounts at month's end, the Services can de-obligate an appropriation, perhaps because of inactivity. As a result of the review, liquidation and eventual de-obligation, the individual Funds Activity may adjust the obligation amounts. Nevertheless all obligations and obligation adjustments must be manually entered by the FM or designee in the appropriate accounting systems.

Process 10.0 – Process Bank Payment

Step 10.1 Upon PSI certification, PowerTrack creates a Summary EDI 810 for each DFAS location that has accounting data on the PSI. PowerTrack sends the Summary EDI 810 to GEX.

Step 10.2 GEX translates the EDI 810s into UDF 810s and sends them to the appropriate DFAS entitlement systems.

Step 10.3 Upon receipt of each UDF 810, the DFAS entitlement systems pre-validate payment by confirming the completeness of the accounting data, and confirming there are sufficient funds obligated. (For text LOA cross-service disbursements the pre-validation process will be manual.) If there is a problem and the invoice contains an error, DFAS Vendor Pay must reject the invoice and contact the CO to request that they fix the error and re-submit the invoice following regular paper/manual processes.

Step 10.4 DFAS payment systems will process payments to US Bank for all PowerTrack EDI 810 billings under current disbursing procedures.

Step 10.5 Payments will be made via Electronic Funds Transfer (EFT) consistent with the current manual billing and payment process. The EFT will contain information relating each payment to the associated PowerTrack invoice number which contains the PowerTrack account number.
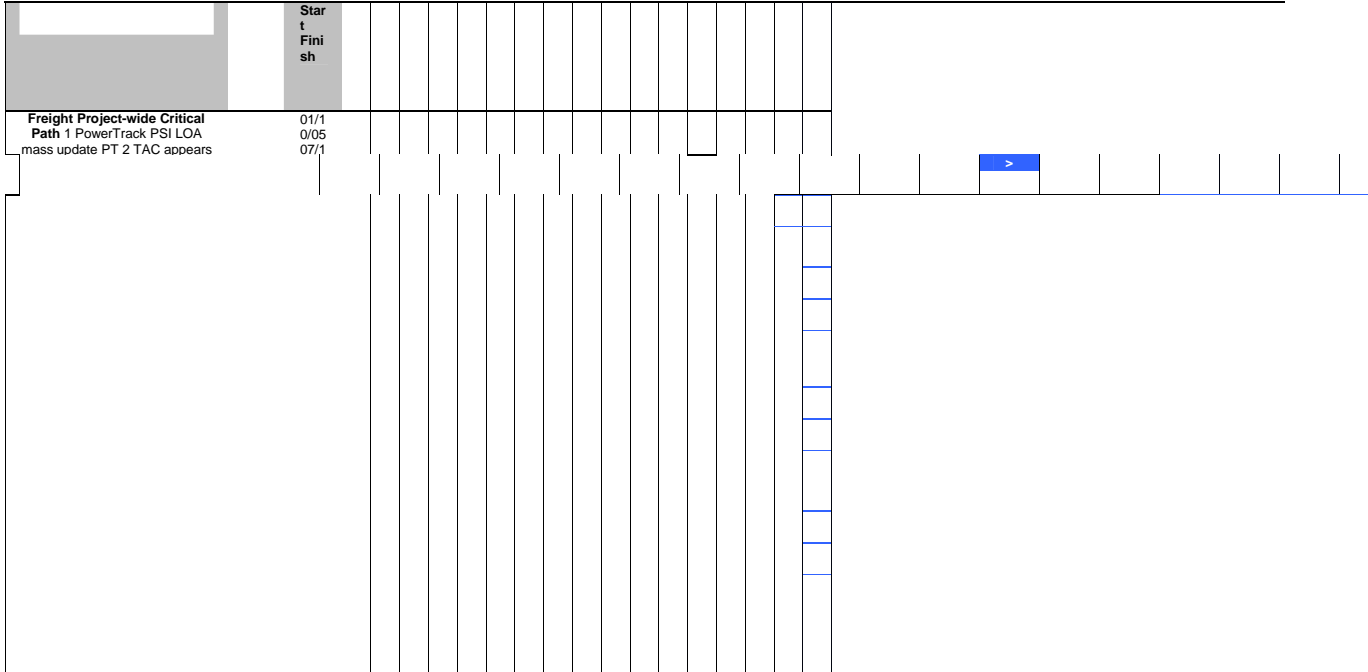
Step 10.6 DFAS accounting systems will receive and record disbursements to US Bank

Figure 2-2: Detailed Interim Automated Process Flow (1 of 2)
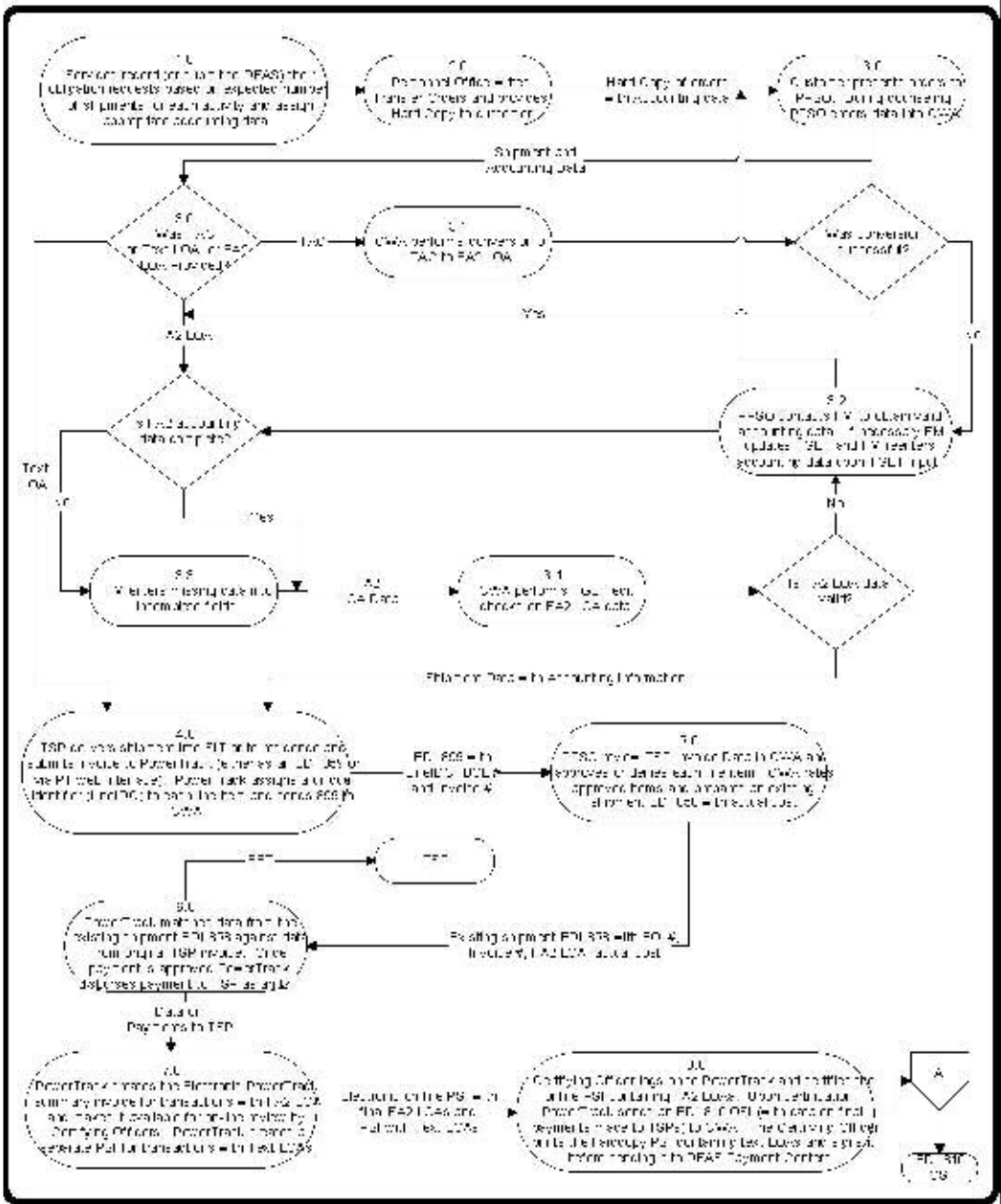
using existing procedures. The following figures 2-2 and 2-3 provide the step-by-step details of the above processes.

Figure 2-3: Detailed Interim Automated Process Flow (2 of 2)

3 Appendix A: Envisioned Timeline

		Start Finish																
Freight Project-wide Critical Path 1 PowerTrack PSI LOA mass update PT 2 TAC appears		01/1 0/05 07/1																

The following represents the envisioned timeline for testing and implementation of the interim solution:

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

Appendix B: Glossary of Terms

Bill of Lading (BoL): A contract between the shipper and the TSP whereby the TSP agrees to furnish transportation services subject to the conditions printed on the BoL. Also refers to the data feed (priced-out BOL) from the shipper system (CWA) to PowerTrack® that contains shipment information.

Certifying Officer (CO): The CO, who is designated/appointed by the appropriate Service is responsible for certifying the PowerTrack Summary Invoice (PSI). The CO is a U.S. Government employee who does not disburse U.S. Government funds. Upon reviewing the PSI, CO certifies electronically all transactions on the PSI and ensures correct FA2 LOAs usage on these transactions. The CO prints the "Manually Billed" portion of the hard copy PSI with text LOAs, and relays it to DFAS payment centers to ensure timely payment to US Bank.

Concept of Operations (CONOPS): A high level methodology/description of processes for understanding the way a system works.

Data Feed: A complete electronic business document such as an invoice, a purchase order, or a remittance advice.

Defense Finance and Accounting Service (DFAS): DoD agency responsible for a number of services related to the accounting, internal billing, and payment of transportation BoLs. DFAS identifies and implements finance and accounting requirements, systems and functions for appropriated funds activities.

eBill: A transaction posted in PowerTrack® to off-set a previously executed over/under payment.

Electronic Data Interchange (EDI): Computer to computer exchange of data using standards jointly developed and established standards groups, i.e., ANSI, EDIA, and EDIFACT.

> **EDI 810 Data Feed:** Electronic Data Interchange Data Feed used as a generic electronic interface for invoice data (in an accounting context).

> **EDI 858 Data Feed:** Electronic Data Interchange Data Feed used as a generic electronic interface for shipment information.

> **EDI 859 Data Feed:** Electronic Data Interchange Data Feed used as a generic electronic interface for TSP invoice information.

Electronic Funds Transfer (EFT): The electronic transfer of funds from payer to payee through a banking system.

Funds Manager (FM): Individual who provides Shipping Customers with the financial and accounting data that accompanies a shipment request. The FMs are responsible for establishing LOAs and ensuring proper funding supports an established LOA.

Line of Accounting (LOA): Accounting/appropriation data; represents specific financial/budgetary appropriations.

Movement Request Order (MRO): A requisition document initiated by a Personnel Office for the procurement of transportation services for a Service Member.

Personal Property Shipping Office (PPSO): Person responsible for entering the data from the Movement Request Order (MRO) into TOPS and/or DPS and ensuring that the presented documentation entails a correct and fully funded LOA.

PowerTrack®: A proprietary software offered by U.S. Bank that provides on-line payment processing and transaction tracking.

PowerTrack Summary Invoice (PSI): U.S. Bank submits a monthly statement to the CO reflecting payments made to the Transportation Service Providers (TSPs).

Segmented LOA: The Segmented LOA is the ANSI X-12 FA2 format data segment used to specify the detailed accounting data associated with a transaction. The format of the segmented LOA for DoD shipments is defined by the DTEDI Implementation Conventions.

Service Member: Any member of the government's uniformed or civilian service.

Transportation Account Code (TAC): A four-digit code that is tied to an LOA and its appropriate service's program, project or account to be charged for transportation.

Transportation Global Edit Table (TGET): A table of established LOAs, TACs, and an edit logic supporting the Service/Agency LOA requirements. This logic is used to validate segmented LOAs and TACs within the shipper systems prior to the shipper systems transmitting the data to DFAS accounting systems and PowerTrack®.

Transportation Service Provider (TSP): Any party, person, agent, or carrier that provides freight and/or personal property transportation and related services to an agency, including Motor Carrier, Freight Forwarder and Broker.

User Defined File (UDF): a custom data file jointly defined by the sending and receiving parties.

> **UDF 810 Data feed:** Custom data feed used to communicate invoice data (in an accounting context)

Appendix C: EDI 858 Shipment Data Feed

Adobe Acrobat Document

Appendix D: EDI 810 Invoice Data Feed

Adobe Acrobat Document